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Pipeline became linchpin in broader deal

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WASHINGTON — When senior Republican members of the House Energy and Commerce Committee met early this year to set priorities for the new Congress, most were unfamiliar with the Keystone XL pipeline that Rep. Lee Terry of Nebraska kept bringing up.

They sure know about it now.

Once a largely parochial issue mainly of interest to Nebraskans, the pipeline's national profile has risen steadily to the point where it became the linchpin in a much broader, high-stakes deal affecting millions of families from coast to coast.

"It is amazing," Terry told The World-Herald. "It is the No. 1 issue."

The Obama administration delayed until 2013 a decision on the \$7 billion pipeline that would carry oil from the Alberta tar sands to Gulf Coast refineries.

Republicans demanded language requiring a decision on the pipeline within 60 days in any legislation to extend the payroll tax cut for 160 million Americans and to renew federal unemployment benefits.

The Senate on Saturday passed a two-month extension with that Keystone deadline. The measure still needs a final sign-off by the House, which previously passed a bill that included the deadline.

The measure approved by the Senate includes provisions for altering the pipeline's route through Nebraska, where officials are working with Trans-Canada to divert the project around the environmentally sensitive Sand Hills.

The phrase "Keystone pipeline" has been everywhere recently, from the Sunday talk shows to House and Senate floor speeches, from Capitol Hill press conferences to the White House briefing room. It even got a shout-out during the recent GOP presidential debate.

Deadline proponents say that after more than three years of reviews, the project's been studied long enough; that it's time to get the dirt flying and create thousands of jobs for the hard-hit construction industry.

Pipeline opponents argue that the project's supposed benefits to the economy and to energy security have been significantly inflated and its potential environmental risks glossed over.

Bold Nebraska, which has fought the pipeline, says approving the project before the Nebraska route is determined makes no sense and would give up leverage in the event of a legal battle with TransCanada.

The Obama administration has suggested that forcing a quick pipeline decision could simply result in rejection of the project.

Terry's efforts on the pipeline may have earned him the enmity of environmental groups, but he said it makes him proud to see the issue become a cause célèbre for Republicans in their rhetorical skirmishing with the White House over jobs.

"It's the one tangible item that we have, that we can say, 'Congress did something that really, honestly created jobs,'" Terry said.

The Keystone deadline ended up as the sweetener to attract Republicans reluctant to continue the payroll tax cut but desperate to force a decision on the pipeline.

GOP lawmakers such as Rep. Steve King of Iowa and Sen. Mike Johanns of Nebraska have expressed deep reservations about the payroll tax cut, but they voted for the extension because of the pipeline.

"A two-month extension of the payroll tax holiday is an acceptable resolution if it prevents the continued slow-walking of the Keystone pipeline," Johanns said.

While Nebraskans have been talking about the pipeline for a long time, the issue landed in the national spotlight only recently.

Terry introduced a bill over the summer that would have required a decision by Nov. 1.

National environmental groups threw themselves into the fight.

By late August, anti-pipeline protesters were getting arrested by the hundreds outside the White House, including celebrities such as actress Daryl Hannah.

The House passed Terry's bill, but the Senate ignored it.

After TransCanada agreed to move the route to avoid the Sand Hills, Terry and others introduced new deadline legislation carving out exceptions for the ongoing Nebraska process.

Republicans' pipeline passion was evident Friday during a meeting of the House Republican Conference.

House Speaker John Boehner, R-Ohio, assured members they would fight to keep the Keystone deadline.

"That was the big applause line," Terry said.

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